

AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE AUTHORITY, HELD ON THE 2ND DAY OF SEPTEMBER 2008, 7:00 P.M., COUNTY ADMINISTRATION CONFERENCE ROOM, MONTGOMERY COUNTY GOVERNMENT CENTER, CHRISTIANSBURG, VIRGINIA:

PRESENT:	James Politis	-Chair
	Mary Biggs	-Secretary-Treasurer
	Gary Creed	-Vice-Chair
	Annette Perkins	-Member
	William Brown	-Member
	Robert C. Fronk	-PSA Director
	Linda Pendleton	-Senior Program Assistant
	Marty McMahan	-County Attorney
	B. Clayton Goodman	-County Administrator
	Malvin Wells	-Planning Commission
ABSENT:	John Muffo	-Member
	Doug MARRS	-Member

CALL TO ORDER

Chair Politis called the meeting to order and determined that a quorum was present.

PUBLIC ADDRESS

There were no comments from the public.

CONSENT AGENDA

On a motion by Mary Biggs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated September 2, 2008.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
Gary Creed		John Muffo
Annette Perkins		Doug MARRS
William Brown		
Mary Biggs		
James Politis		

**APPROVAL OF MINUTES
AUGUST 4, 2008**

On a motion by Mary Biggs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the minutes dated August 4, 2008.

R08-09-1
AFFIRMATION OF AUTHORIZATION TO PICK
UP THE EMPLOYEE'S CONTRIBUTION TO
VRS FOR MONTGOMERY COUNTY
PUBLIC SERVICE AUTHORITY, 55160 UNDER § 414(h)
OF THE INTERNAL REVENUE CODE

On a motion by Mary Biggs, seconded by William Brown, and carried;

WHEREAS, Montgomery County Public Service Authority provides its employees with tax deferral pursuant to § 414(h) of the Internal Revenue Code with respect to their member contributions to the Virginia Retirement System (referred to as VRS) by picking up member contributions to VRS; and

WHEREAS, VRS keeps tract of such picked up member contributions, and treats such contributions as employee contributions for all purposes of VRS; and

WHEREAS, The Internal Revenue Service in Notice 2006-43 has provided transition relief for existing pick-up arrangements provided that an authorized person takes formal action to evidence the establishment of the pick-up arrangement no later than January 1, 2009; and

WHEREAS, In order to avail itself of the protection given under Notice 2006-43, the Montgomery County Public Service Authority Board of Directors desires to affirm its intention to establish and maintain a pick-up arrangement through formal action by its governing body.

NOW, THEREFORE, IT IS HEREBY RESOLVED, That the existing member contribution pick-up arrangement is hereby affirmed as it relates to salary reduction elections in effect prior to the date of this Resolution; and

BE IT FURTHER RESOLVED, That effective the first pay day on or after September 2, 2008, Montgomery County Public Service Authority shall pick-up member contributions of its employees to VRS, and such contributions shall be treated as employer contributions in determining tax treatment under the Internal Revenue Code of the United States; and

BE IT FURTHER RESOLVED, That such contributions, although designated as member contributions, are to be made by Montgomery County Public Service Authority in lieu of member contributions; and

BE IT FURTHER RESOLVED, That pick-up member contributions shall be paid from the same source funds as used in paying the wages to affected employees; and

BE IT FURTHER RESOLVED, That member contributions made by Montgomery County Public Service Authority under the pick-up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick-up arrangement; and

BE IT FURTHER RESOLVED, That nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick-up contributions made by Montgomery County Public Service Authority directly instead of having them paid to VRS; and

BE IT FURTHER RESOLVED, That notwithstanding any contractual or other provisions, the contributions of each member of VRS who is an employee of Montgomery County Public Service Authority shall be picked up either through a reduction in the current salary of such employee or as an offset against future salary increases of such employee or as a combination of both at the option of the employer by the Montgomery County Public Service Authority on behalf of such employee pursuant to the foregoing resolutions.

Adopted in Montgomery County, Virginia this ____ day of _____, 2008.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
Gary Creed		John Muffo
Annette Perkins		Doug Marrs
William Brown		
Mary Biggs		
James Politis		

REVIEW OF REVISIONS TO PSA WATER/SEWER REGULATIONS

At the PSA meeting of August 4, 2008, the PSA approved several rates and changes to the PSA regulations. The Director amended the water and sewer regulations to reflect these changes and presented a copy for review and discussion.

After review of the proposed revisions, the following resolution was adopted:

**R08-09-2
APPROVAL OF REVISIONS TO
PSA WATER AND SEWER REGULATIONS
DATED AUGUST 12, 2008**

On a motion by Gary Creed, seconded by Mary Biggs, and carried; IT WAS RESOLVED, that the Public Service Authority Board hereby approves the Water and Sewer Regulations dated August 12, 2008 after deletion of item (b) i., under Section E, No. 9 – Customer Deactivation/Reactivation of Water/Sewer Service; and, the revised Water and Sewer Regulations will be posted to the PSA website.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
Gary Creed		John Muffo
Annette Perkins		Doug Marrs
William Brown		
Mary Biggs		
James Politis		

FINANCIAL REPORT

The financial report for period ending August 31, 2008 was presented for review and discussion.

DIRECTOR'S REPORT

The Director discussed the following items:

1. Monthly Activities Report
The August 2008 report was presented for review.
2. Sanitary Sewer Force Main Breaks
A sewer force main (pressure pipe) broke along Fairway View Drive in the Auburn Hills Golf Community on August 16 and another sewer force main broke just outside the Plum Creek Sewer Pump Station on August 21.

- The sewage was contained in the work area for the Fairway View Drive break while the sewage from the Plum Creek break made into the nearby Plum Creek. Both breaks were repaired and reported to the Department of Environmental Quality (DEQ) as required.
3. Southern Rivers Watershed Enhancement Program Grants
Both grant applications (Warm Hearth and Plum Creek) were denied under this program. Official notification is pending. Outlines of the successful applications have been requested for instructional review.
 4. Riner Sewage Treatment Facility Permit Re-Issuance
The draft permit has been received from the DEQ with an issue date of September 21, 2008. The draft permit contains new limitations for Ammonia, Copper and Zinc with staged compliance milestones. These new limitations most likely will require installation of additional treatment processes in 2 to 3 years. Initially, testing of the existing treated effluent and evaluation of treatment processes will be performed to determine the need and best type of treatment process. Full compliance with the new permit limitations is required by September 21, 2012.
 5. Mid-County Sanitary Sewer Relocation Project
The design plans and specifications of the sewer relocation project with alternatives for several configurations have been finalized. The alternatives are for the various configurations based upon involvement by the various parties. This project can be released for bid advertisement within a week. A two month delay was incurred while waiting a commitment letter from VDOT to confirm a previous verbal commitment.
 6. Ironto Water System Extension
Additional communications with the owner of the property adjacent to the I81 Ironto exchange indicate that he may proceed with a water main extension crossing I81 possibly using the existing casing. The owner's engineer has also been in contact relative to extending the public water main.
 7. Vehicle Replacement Program
The current fiscal budget included replacement of two vehicles; a pickup truck for the meter reader and a heavy-duty (pipe) truck for the maintenance crew. The current Virginia State Contract pickup trucks have poor gasoline mileage ratings while the compact sedans have excellent gasoline mileage. It is proposed to purchase a compact sedan rather than a pickup in the hope that future contracts will include more fuel efficient vehicles. The sedan would be assigned to the Director/office, and the currently assigned 4 wheel drive SUV (Suzuki – 25 mpg) would be assigned to the meter reader.
 8. Industrial Sewer Use Permit Re-Issuance
The only industrial sewer user permit that had been issued to the PSA expires on December 1, 2008. The PSA is currently in the process of reviewing information and developing another permit for issuance. The industry, Department of Environmental Quality (DEQ) and the PSA will be involved in the process of developing the new permit. There was an agreement where the industry and PSA share the cost of effluent testing at a 68% to 32% split. This amounts to the PSA subsidizing the industry using funds from the other PSA sewer customers. While some sewer authorities may subsidize industry by splitting testing costs, the majority require the industry to pay for this service as a cost of doing business. It is requested that the PSA not continue this subsidy in the new permit. Economic Development/IDA personnel will be invited to the meetings with the industry. It would be more appropriate that subsidies for testing be negotiated with the Economic Development/IDA.
 9. Wastewater Supervisor Retirement
On August 18, Wastewater Supervisor Bruce Jones submitted his Retirement Notice to take effect November 30, 2008. Mr. Jones has been a dedicated PSA employee for nearly 33 years having worked at the Elliston-Lafayette Sewage Treatment Facility since its construction.
 10. The Director informed the Board that he will be on vacation from September 9, 2008 through September 15, 2008. He will return on Tuesday, September 16, 2008.

AUTHORITY MEMBERS' REPORT

There were no reports from Authority members.

ADJOURNMENT

On a motion by Mary Biggs, seconded by Gary Creed, and carried; IT WAS RESOLVED, that the Public Service Authority does hereby adjourn to the next meeting scheduled for October 6, 2008.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
Gary Creed		John Muffo
Annette Perkins		Doug Marrs
William Brown		
Mary Biggs		
James Politis		